

Multiple Agency Fiscal Note Summary

Bill Number: 6219 S SB	Title: Reproductive health coverage
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Estimated Cash Receipts

NONE

Estimated Expenditures

Agency Name	2017-19			2019-21			2021-23		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of the Governor	Fiscal note not available								
Washington State Health Care Authority	.0	0	38,100	.0	0	152,400	.0	0	152,400
Office of Insurance Commissioner	Fiscal note not available								
Total	0.0	\$0	\$38,100	0.0	\$0	\$152,400	0.0	\$0	\$152,400

Estimated Capital Budget Impact

NONE

Prepared by: Jane Sakson, OFM	Phone: 360-902-0549	Date Published: Preliminary 1/24/2018
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

ENPID: 50138

FNS029 Multi Agency rollout

Individual State Agency Fiscal Note

Bill Number: 6219 S SB	Title: Reproductive health coverage	Agency: 107-Washington State Health Care Authority
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
Account					
Public Employees' and Retirees Insurance Account-State 721-1	0	38,100	38,100	152,400	152,400
Total \$	0	38,100	38,100	152,400	152,400

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Evan Klein	Phone: 786-7483	Date: 01/23/2018
Agency Preparation: Crystal Lester	Phone: 360-725-1447	Date: 01/24/2018
Agency Approval: Carl Yanagida	Phone: 360-725-1033	Date: 01/24/2018
OFM Review: Jane Sakson	Phone: 360-902-0549	Date: 01/24/2018

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

See attached narrative

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

See attached narrative

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

See attached narrative

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		38,100	38,100	152,400	152,400
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$38,100	\$38,100	\$152,400	\$152,400

Part IV: Capital Budget Impact

See attached narrative

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

See attached narrative

HCA Fiscal Note

Bill Number: SB 6219

HCA Request #: 18-14

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

This bill adds new sections to RCW 48.43 that improve access to reproductive health care for all Washingtonians.

This substitute version of the bill does not have a Medicaid impact. All fiscal impacts represented in this fiscal note are for the Public Employees Benefits Board (PEBB) program.

Bill Summary

Section 2 adds a new section to RCW 48.43, establishing reproductive health plan coverage criteria for health plans issued or renewed on or after January 1, 2019.

Section 3 adds a new section to RCW 48.43, requiring health plans issued on or after January 1, 2019 that provide maternity care coverage to also provide coverage to permit the abortion of the pregnancy unless the abortion would be unlawful under RCW 9.02.120 or if the plan meets the definition of a multistate plan that does not provide coverage for the abortion of a pregnancy, pursuant to 42 U.S.C. Sec. 18054 (a)(6).

II. B - Cash Receipts Impact

None.

II. C – Expenditures

PEBB Program

Section 2(1)(a) calls for coverage of all contraceptive drugs, devices, and other products, approved by the federal Food and Drug Administration (FDA), including those available over-the counter.

Since the PEBB program already covers most female contraceptive methods, one of the impacts associated with this bill is the cost of paying for coinsurance, deductibles and other cost-sharing. In calendar year 2017, the Uniform Medical Plan (UMP) paid for 102,064 contraceptive claims. Of the costs associated with those claims, \$68,000 was paid by the member. If this bill passes, this cost would now be paid by the PEBB program. As a note, this estimate only includes the cost-sharing related to contraceptive drugs that are not on the preferred drug list.

Another impact related to this bill is the increased costs of covering contraceptive methods that are not currently covered in the PEBB program. One such method is over-the-counter (OTC) male prophylactics. For the purposes of estimating this impact, HCA used the annual Medicaid cost for male prophylactics in 2017 as a proxy, and divided it by the total number of distinct males enrolled in Medicaid in that year. This provided an annual per capita cost of \$0.06 per male client. The estimated enrollment in PEBB for males that are 18 years and older is 136,677. Thus, the estimated annual impact of covering male prophylactics for this PEBB population is \$8,200. The actual cost of this coverage could be higher because Medicaid pays for male prophylactics at a discounted 340B price – a price that the PEBB program may not receive.

HCA Fiscal Note

Bill Number: SB 6219

HCA Request #: 18-14

This fiscal note does not address additional costs that may result from other prescribed or OTC forms of contraceptives that are currently not covered under the PEBB program, but would be required as a result of this bill.

There could also be other administrative costs for the implementation of this bill. Regence, the third party administrator for UMP, does not have a means of receiving billing or making payment on over-the-counter products. A process would need to be developed, which could result in work order charges.

Implementation of this bill may also result in increased premiums for PEBB's fully insured plans – Kaiser Washington and Kaiser Northwest – which may result in an increase to the state medical benefit contribution funding rate and employee contributions for health benefits.

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

PEBB

Medical plan updates are needed to address the absence of cost-sharing for over-the counter contraceptives without a prescription and for the absence of cost-sharing for brand name contraceptives when there is a generic equivalent for both men and women.